

1936.
NEW ZEALAND.

COOK ISLANDS FRUIT INDUSTRY

(REPORT ON THE)

BY

Parliamentary Delegation which visited the Cook Islands, July-August, 1936.

Presented to both Houses of the General Assembly by Leave.

INDEX.

	PAGE		PAGE
PART I.—Introductory	2	PART VIII.—Shipping—Anchorage	7
PART II.—The Cook Islands an integral portion of New Zealand	2	PART IX.—Recommendations—	
PART III.—Descriptive—		Control by Director of Agriculture or General Manager	7
Geographical	2	Staffing: Employment of citrus expert	7
Meteorological	2	Long-term planting plan	7
Hurricane	2	Central packing-shed and cool store	8
PART IV.—Programme of investigations	2	Marketing in New Zealand	9
PART V.—Attitude of witnesses	3	Debt extinction	9
PART VI.—Survey of Island fruit industry—		Regulated supplies	9
Island products	3	Shipping	9
Orange industry—		Shipping-space	9
Growing and cultivation	3	Freights	9
Harvesting	4	Use of field cases	9
Transport to packing-shed	4	Organized collecting	9
Packing	4	Marking of cases	9
Inspection	4	Fruit-case timber	10
Banana industry	4	Shipping in bunches	10
Tomato industry	5	PART X.—The Lower Cook Group: Mitiaro	10
Copra industry	5	PART XI.—Orange juice	10
PART VII.—Commercial—		PART XII.—Alleged poverty	11
Prices of products	5	PART XIII.—Administration	11
Methods of sale	5	PART XIV.—Regular visits of Representatives of New Zealand Parliament	11
Charges on oranges	5	PART XV.—Acknowledgments	11
Finance and trading methods	6	PART XVI.—Summary of recommendations	12
Price of goods, &c.	6		

Parliament Buildings, Wellington, 17th August, 1936.

The Hon. the Minister of Industries and Commerce, Wellington.

SIR,—

**REPORT ON THE COOK ISLANDS FRUIT INDUSTRY BY PARLIAMENTARY DELEGATION
WHICH VISITED THE COOK ISLANDS, JULY-AUGUST, 1936.**

PART I.—INTRODUCTORY.

IN accordance with the decision of Cabinet arising out of the hearing in Wellington of two petitions from the fruitgrowers of the Cook Islands, Messrs. J. Robertson, M.P. (Chairman), S. G. Holland, M.P., and C. L. Hunter, M.P., were appointed a Delegation from the Industries and Commerce Committee to proceed to the Cook Islands to continue investigations on the spot on behalf of the Committee.

The Delegation left Wellington on 7th July, 1936, and, after spending a month in Rarotonga and the Lower Cook Islands, returned to Wellington on 17th August, 1936.

PART II.—THE COOK ISLANDS AN INTEGRAL PORTION OF NEW ZEALAND.

As a result of this visit the conviction is strongly held by the members of the Delegation that there is not in New Zealand an adequate realization of the fact that the Cook Islands became part and parcel of the Dominion of New Zealand when in 1901, under the provisions of the Colonial Boundaries Act, 1895, its boundaries were extended to include the Cook Islands, and, in consequence, the inhabitants of these islands are New-Zealanders and are fellow-citizens with ourselves in the British Commonwealth of Nations.

A fuller realization of this fact would bring about a closer relationship between the Islands and the mainland, and would probably lead to a better understanding of the problems confronting the New Zealand Parliament in the discharge of its responsibilities to the people of those Islands.

PART III.—DESCRIPTIVE.

GEOGRAPHICAL.

The Cook Islands comprise twelve inhabited islands (not including Niue) and carry a population of over 12,000 Polynesian people. They cover an ocean area of some 850,000 square miles, extending from Penrhyn Island, situated 9 degrees south of the equator, to Mangaia, situated just north of the Tropic of Capricorn.

Rarotonga, the headquarters of the Group, is situated 1,800 miles from Wellington. The outlying islands of the Lower Group range between Aitutaki (140 miles due north of Rarotonga) to Mangaia (110 miles south-east of that island). In addition to the two named are Mitiaro, Atiu, and Mauke.

The greatest distance between any island and Rarotonga is 140 miles.

The Northern Islands, situated some 600 to 700 miles farther north, are coral atolls, and are not capable of producing fruit for the New Zealand markets; and their problems are not discussed in this report. Neither is the Island of Niue, which, although geographically included in the Cook Islands, has no sea connection with the remaining islands of the Group, and is administered separately.

METEOROLOGICAL.

The year may be divided into two seasons—from December to March being the rainy season. During the remainder of the year fine weather generally prevails. Frequent tropical rains, together with plentiful sunshine, combined with a fertile and bountiful soil, induce wonderful growth.

Rarotonga is well provided with running streams, but all the Outer Islands suffer through insufficiency of the same.

HURRICANES.

The whole of the Group is within the hurricane zone, and during the past ten years has had several destructive visitations, the most serious for many years occurring in 1935, doing very heavy damage to all plantations.

The death—during the storm—of the late Director of Agriculture was a severe loss, and set back the work of agriculture in the Group, particularly in regard to the renovation of orange plantations. Owing also to the destruction of the Agricultural Office and the loss of all records, the value of the experimental work being carried out in regard to suitable citrus stock and culture was lost.

PART IV.—THE PROGRAMME OF INVESTIGATIONS.

The Delegation was in possession of certain evidence already presented to the Committee in Wellington. That evidence indicated—

- (1) A pronounced difference in the price received by the Island grower and that paid by the New Zealand consumer:
- (2) The difference was not accounted for by the various items comprising costs of packing, shipping, and selling:
- (3) There was a general inclination on the part of grower witnesses to account for it by alleging undue exploitation by Island traders:
- (4) There was an equally general tendency on the part of the traders to attribute the cause to faulty methods in growing, handling, and packing the fruit.

With this much to go upon, the Delegation arrived in Rarotonga on Saturday evening, 11th July (New Zealand time Sunday, 12th July).

Some packing-sheds were in operation on the following day, packing fruit for the arrival of the R.M.S. "Maunganui" on the 13th, and advantage was taken of this circumstance to visit these sheds and inspect the methods employed.

The following day (Monday, 13th) a visit was paid to the "Maunganui" at her anchorage, and the methods of stowing the fruit cargoes on board ship were inspected. The methods of carting fruit from packing-shed to wharf, its lighterage to ship's side, and handling were also observed.

On Tuesday, 14th, the Delegation met a representative gathering of growers, traders, and others interested for the purpose of discussing and agreeing upon a proposed programme of investigatory work.

The Delegation proposed that, before commencing to take evidence, it would visit as many plantations on the Island as possible, and in this way, and by conversation with planters, Native and European, make its members thoroughly acquainted with the conditions under which the industry is carried on.

After discussion this was agreed upon, and with the willing and helpful assistance of growers of all classes this programme was duly carried out on 16th, 17th, 18th, 19th, 20th, 21st, and 22nd July.

This inspection of plantations involved some very arduous days of tramping up valleys into the mountains, and inspecting areas of bananas and oranges in what were apparently almost inaccessible situations. Every day, by appointment, the growers of each district assembled and accompanied the Delegation on their tour of inspection, the planters explaining their position and difficulties, and enabling the Delegation to acquire much useful information in regard to conditions on the plantations.

Apart from the practical value of these inspections their psychological value in securing the confidence and good will of the growers, who were impressed by the willingness of the Delegation to undertake such strenuous work, was incalculable. The wisdom of the course adopted was also amply shown in the results, as, when the taking of evidence commenced in the Courthouse at Avarua on Thursday, 23rd July, members of the Delegation were in a position to judge the value of the evidence afforded to an extent that could not have been otherwise possible.

The taking of evidence continued until Monday, 27th July, and, pending the arrival of the T.S.M.V. "Matua," by which vessel the Delegation were to proceed to the Outer Islands of Aitutaki, Atiu, Mauke, and Mangaia, the time was occupied in attending Native and other gatherings arranged in honour of the Delegation, inspecting schools and other Government activities, and in deliberating on the evidence already heard.

PART V.—ATTITUDE OF WITNESSES.

After opening the inquiry at Avarua, it soon became common ground with the members of the Delegation that the two petitions originally presented to Parliament were not actually in conflict; and before the taking of evidence had concluded it was quite obvious that all growers, irrespective of what petition they had signed, were prepared to support any policy that would raise the level of prices paid to the growers of fruit.

Varied opinions as to the degree of control that would be advantageous were expressed by the thirty-six witnesses, and it must be confessed that many of them had very hazy ideas as to what form control should take.

PART VI.—SURVEY OF ISLAND FRUIT INDUSTRY.

To use a common simile, the fruit trade of the Cook Islands may be likened to a chain of four links:—

- (1) Growing and cultivation of fruit;
- (2) Transport to packing-sheds, grading, and packing;
- (3) Transport to ships and shipping; and
- (4) Marketing methods in New Zealand.

These four stages of the industry are co-related as are the links of a chain, and in the opinion of the Delegation there are at present weaknesses existing in each link. Any remedy which would apply to any of them and not to all would therefore be ineffective, as the weakness in any remaining link would nullify largely any improvement made in the others.

ISLAND PRODUCTS.

The most important products of the Cook Islands from a commercial standpoint are oranges, bananas, tomatoes, and copra.

Average yearly fruit shipments over the past twelve years have been—Citrus, 110,000 cases; bananas, 53,000 cases; and tomatoes, 44,500 cases.

The orange season extends approximately from April to September. Bananas are an all-the-year crop, and tomatoes are exported from June to October and November, shipments tapering off entirely in December. Copra-production suffered badly in the hurricane of last year. In any event the collapse of the copra-market during the last few years made it an unpayable crop.

ORANGE INDUSTRY.

GROWING AND CULTIVATION OF FRUIT.

The Cook Islands native orange, in its high juice content and flavour, compares more than favourably with any other orange imported into New Zealand.

The bulk of the exports from the Cook Islands is from trees which have been subject to little, if any, cultivation, having simply been allowed to grow naturally from seedlings.

Generally speaking, neither the location of the trees nor their size and shape allows of the proper application of modern methods of cultivation. Fungoid growths attack the fruit and this results in too large a proportion of dark-coloured fruit being produced. The quality of this fruit is not necessarily affected, but the discoloration detracts from its appearance and seriously affects its market value.

Many of the trees are too old, and their cutting-out, if done as part of a replanting scheme, would be an advantage.

A further handicap to this trade is the fact that the advantage gained in juice content is offset by the thin skin of the native orange, which is much more susceptible to damage in handling, packing, and transport than most varieties of cultivated oranges.

The necessity for replanting in areas capable of proper cultivation is becoming appreciated, more especially by European growers, but also by the more progressive Native growers.

With a view to extending the orange-export season, a number of growers have imported and planted under proper methods well known early- and late-fruited varieties of young cultivated trees, principally from Australia and California. These imported trees, it is calculated, will yield earlier and later crops than the native trees, thus considerably extending the present export season. The full result of this experimental introduction of new varieties cannot be fully ascertained pending the time when these trees will come into full bearing.

It is stated very generally that the quality of the citrus fruits grown on Rarotonga has deteriorated in recent years. This we find to be probably true, though not to the extent that has sometimes been alleged. The position seems rather to be that the competition of cultivated oranges from other countries, carefully graded, processed, packed, and marketed has put the uncultivated native orange at a disadvantage.

HARVESTING.

Because of the height, shape, and difficulty of access to many orange-trees, the harvesting of the crop is a laborious task. The recognized and commendable practice of clipping the fruit from the stem cannot be applied to a large proportion of the trees, as even ladders will not reach to the topmost boughs. The irregularity in the location of the trees, together with their remoteness and inaccessibility, adds considerably to the cost of harvesting.

TRANSPORT TO PACKING-SHEDS.

Much of the fruit when picked is carried on the shoulders, or on ponies or wagons, for long distances over bush tracks or rough roads before being finally delivered to the district packing-sheds.

An improvement in the roads adjacent to and leading to plantations would be a definite advantage. The Delegation was given to understand it was the policy of the Administration, where growers were prepared to provide the labour, to provide food and the necessary materials to Natives who undertook such work. If the Native growers would take fuller advantage of those conditions, much-needed road improvement could be brought about, and encouragement should be given them to do so.

PACKING.

The present system of district packing-sheds has served a useful purpose, and, although a vast improvement on former methods, is nevertheless inadequate for present and future requirements. A recommendation appears later in this report.

INSPECTION.

The system of inspection and the manner in which it is carried out is in the opinion of the Delegation a distinctly weak link. Briefly described, inspection of oranges takes place in seven district packing-sheds established by the growers at their cost at various points around the Island. Each shed is controlled by a Native shed committee, usually composed of elders of the district, who watch the fruit passing over the "inspection run" of the machine graders in an effort to detect the defective fruit. The facilities provided by the grading-machines for this purpose are inadequate, and the inspectors may not have the quickness of eye and hand to detect and reject, nor does the casual nature of their appointment tend to the efficiency required.

A further flaw is the fact that these committees handle their own fruit and the fruit of their families and friends—and human nature is prone to frailties.

It is true that the whole of the packing in each shed is under the supervision of a Government Inspector, but it is quite impossible to exercise strict supervision over the various activities of handling in detail in all of the seven sheds, and much has to be left to the Native assistants themselves.

One result is that too high a percentage of undergrade fruit is exported, which causes heavy losses on account of needless handling, repacking, &c. If the hazard of this wastage is reduced, one of the causes militating against a higher price to the grower will be removed.

BANANA INDUSTRY.

Many existing banana plantations are situated in valleys running up to the high rocky hills which form the centre of the Island of Rarotonga. Difficulties of transport arise which are hard to overcome, and cause serious damage to the fruit in handling between the plantations and packing-sheds.

The reasons generally given for planting in such inaccessible areas are—(1) The exhaustion of the soil on the lower levels, and (2) the need for shelter which the deep gorges provide.

The absence of refrigerated shipping-space obliges growers to cut bananas before they have attained full maturity, in order to prevent their arrival on the New Zealand markets in a ripe condition. This has brought about an unfavourable comparison between the Cook Islands bananas and the bananas imported per the N.Z.G.M.V. "Maui Pomare" from Niue and Samoa, but the advent of the new Union Steamship Co.'s T.S.M.V. "Matua" should, in the belief of the Delegation, greatly improve the banana trade of the Cook Islands.

Evidence was given at the parliamentary inquiry in Wellington that the Cook Islands were incapable of producing bananas of size, shape, and flavour comparable to the Niue and Samoan bananas. The Delegation has inspected thousands of banana plants and many thousands of bananas, and this inspection convinces members that Rarotonga can produce bananas that compare in every way with similar fruit produced elsewhere.

TOMATO INDUSTRY.

Tomato-growing, introduced into Rarotonga many years ago, has become an increasingly important industry. Last year the exports to New Zealand numbered 62,311 boxes, valued for local Customs purposes at £10,673.

This crop is of particular value, as it is a comparatively quick-growing one, and has time and again proved a boon to the people when the main banana and orange crops have been lost through storm and hurricane damage, in providing them with a certain amount of income pending the recovery of banana and orange plantations.

A misconception which is held in New Zealand, that Rarotongan tomato-growers do not require to cultivate their crops as do New Zealand growers, was speedily dispelled when the plantations were inspected. The tomato-grower in Rarotonga has to go through the same operations as does the grower in New Zealand. He grows from seed, and plants out the seedlings after the land is prepared. His fight against weeds and pests in the tropical climate is more intense, and through infrequent shipping opportunities a large proportion of the crop is not marketed.

Growers are gradually improving the varieties under cultivation with a view to improving colour and form to meet market requirements. Tomato-growing on the whole does not present the same difficulties which confront the successful growing of citrus fruits and bananas.

COPRA INDUSTRY.

Coconut-growing for the production of copra has been an industry of the first importance in the Cook Islands, but owing to the low price ruling in the world markets of recent years exports have heavily declined.

Present prices, however, show an upward tendency, and should this continue this should once more become an important industry.

PART VII.—COMMERCIAL.

AVERAGE PRICES.

Prices received by the growers over a period of years have varied greatly. Oranges and bananas have sold in the Islands at from 1s. 6d. a case to 7s. 6d. a case, and tomatoes at from 9d. to 6s. 6d. a case, according to the quantities being shipped and the New Zealand market demands.

The average prices received by the growers for fruit alone, over the past four years (taken from official figures), have been—

	Per Case.	
	s.	d.
Bananas	2	11
Oranges	2	6
Tomatoes	3	2

Generally, the prices have not been profitable to growers.

METHODS OF SALE.

New Zealand fruit-merchants instruct their Rarotongan agents or branches as to the prices they are prepared to offer for each shipment of fruit. The Rarotongan firms collaborate and compare quotations, and then endeavour to persuade their New Zealand principals to agree to a common price. The prices eventually agreed to become the standard prices which are adhered to by all the buyers.

Native and European growers are free to ship their own fruit to New Zealand merchants to sell on a commission basis. On account, however, of many unsatisfactory experiences when growers' account sales have been debits instead of credits, due to heavy deterioration in transit, shipping-space allocation, and other causes beyond the control of the grower, most growers prefer to accept the prices offered by merchants for delivery either into packing-sheds or on wharf at Rarotonga.

CHARGES ON ORANGES.

The charges comprising freights, cases, wharfage, commissions, inspection fees, &c., cannot be stated in terms of flat charges per case, as some commissions are charged per case, while auctioneers' commissions are charged as a percentage of total selling-price, and Rarotongan traders' commissions on sales returns are charged as a percentage of gross Rarotongan proceeds of sales. Taking an actual

sales account for 300 cases of oranges returned as selling in Auckland at 10s. 0½d. per case, the charges work out as follows:—

300 cases oranges at 10s. 0½d.	..	..	..	..	..	£	s.	d.
						150	12	6
New Zealand charges—								
Commission	..	..	..	..	..	15	1	3
Receiving and delivering	..	..	..	..	..	1	5	0
Freight, wharfage, and cartage	..	..	..	..	..	54	7	6
Levy	..	..	..	..	..	0	6	3
								71 0 0
Net return to Rarotongan trader	..	..	..	..	..	79	12	6
Rarotonga charges—								
Cost of 300 shooks (fruit-cases) at 2s.	..	..	..	..	..	30	0	0
300 wrapping-papers at 4½d.	..	..	..	..	..	5	12	6
Inspection fee	..	..	..	..	..	5	0	0
Shed fees and packing	..	..	..	..	..	3	15	0
Manure levy	..	..	..	..	..	3	15	0
								48 2 6
								31 10 0
Rarotongan traders' commission on sales return (5 per cent. on £79 12s. 6d.)	..	..	..	..	..	3	19	7
								£27 10 5
Balance	..	..	..	..	..

This amount of £27 10s. 5d. is equivalent to 1s. 10d. per case, to cover cost of growing, harvesting, and carting to packing-shed, Rarotonga.

The above example, although an actual one, is not put forward as representing the average price which oranges fetch in the New Zealand market, as a reference to "Average Prices" on page 5 will show that the price received by the grower in this instance is well below the average of four years. It illustrates, however, the charges borne by the fruit from the time it is delivered by the grower in Rarotonga till it reaches the New Zealand market.

FINANCE AND TRADING METHODS.

The ordinary methods of finance and banking are not practised in the Islands, and the trading firms virtually become bankers for the Native growers.

At Rarotonga most Native growers approach their trading store and obtain cash advances to enable them to plant: additional advances by way of goods are also made by the firms until the crop is harvested, when the fruit is handed over to the trading firm at the ruling price in liquidation of the debt previously incurred.

Where the amount due to the Native exceeds the amount of debt, the balance may be paid in cash or left to the credit of the grower; but it not infrequently happens that the advances aggregate an amount equal to or exceeding the value of the fruit harvested. So the process of debt continues. The non-receipt of cash in payment for fruit in such instances has caused a good deal of dissatisfaction among Native growers.

During the period prior to the depression advances were made, and, when the depression made its presence felt and prices receded to lower levels, the Native growers found themselves loaded with a debt burden which has not been, and cannot be, liquidated at present fruit prices. The pressure of debt was further accentuated by the effect of last year's hurricane.

The trading firms agree that a substantial proportion of these outstanding amounts are not collectable, and a proposal for dealing with the situation appears later in this report.

A very unsatisfactory feature of the present method is the injustice done in many instances to those growers who have not committed themselves to debt. When there is a shortage of space in the ships, the traders, who guarantee the filling of shipping-space and consequently have the right to allocate space to whomsoever they please, naturally are inclined to see to it that those growers who owe them money are given space to enable them to liquidate—at least in part—their debt, while those growers not in debt to the traders have complained of their difficulty in securing sufficient space.

The whole situation has been closely investigated, and, while it cannot be said that the charge has been proven, there is sufficient evidence available to justify the statement that growers in debt receive preference.

PRICE OF GOODS, ETC.

Investigations into the question of profits of traders of Rarotonga have been made, and there are no grounds for statements that local traders make unreasonable profits.

Prices of goods generally in the stores are quite reasonable, and almost anything reasonably required can be purchased.

Traders stated that in the Outer Islands an additional charge of 12½ per cent. was made to compensate for the cost of repacking, transhipment, and freights. No further investigation by the Delegation into the retail prices of goods at Outer Islands was possible.

PART VIII.—SHIPPING.

Up to the present time the only shipping available has been the Union Steamship Co.'s vessels.

Rarotonga is served every four weeks by the San Francisco - Wellington mail steamers, which are not fitted for the carriage of perishable fruit cargoes, excepting in the very limited cool-storage accommodation provided. Very heavy losses occur in transit of fruit shipments in these steamers.

In order to cater to some extent for the Outer Islands oranges, the Union Steamship Co.'s trans-Pacific cargo steamers call about once a month at one or more of these Lower Group Islands, but the quantity of oranges shipped by this means is usually restricted to 8,000 cases per monthly steamer.

This is sufficient to transport only a very small proportion of the oranges available at these Outer Islands, and is a most serious deterrent to their economic welfare. It is true that the Union Co. do at times despatch a special cargo vessel from Auckland to assist in this trade, but the type of vessel is totally unsuitable for the trade, and heavy losses have frequently been sustained from this cause. Further, the present practice whereby the Union Steamship Co. grants a charter of all space in the vessels which trade to the Outer Islands to certain New Zealand fruit auctioneers is detrimental to growers requiring shipping-space in certain circumstances.

The new motor vessel "Matua" should undoubtedly be of great benefit to the fruit trade of the Cook Islands.

Better grading and packing methods, together with the refrigerated shipping facilities of the "Matua," should reduce to a minimum losses to which the trade has been accustomed.

The trans-Pacific mail service is now the subject of Government consideration, and if new ships with refrigerated holds come into the service in conjunction with the "Matua" service, thus giving a fortnightly connection between Rarotonga and New Zealand, a satisfactory service will be provided.

ANCHORAGE.

The present anchorage at Rarotonga leaves a good deal to be desired. If means could be devised to enable ships to lie closer to the shore, it would substantially reduce lighterage costs, and the subject is commended for consideration.

RECOMMENDATIONS.

PART IX.—GENERAL CONTROL.

CONTROL BY DIRECTOR OF AGRICULTURE OR GENERAL MANAGER.

The whole of the fruit trade of the Islands should be under the personal supervision and direction of a Director of Agriculture or General Manager, who should have full powers to carry out Government policy and general control of the industry.

This officer's powers should be subject to veto by the Resident Commissioner only in extreme cases where the Resident Commissioner considers that Government policy is not being given effect to or when any action is being taken that is contrary to the best interests of the people or the good government of the Islands. In all such instances the Resident Commissioner should be required to make a full report of the position to the responsible Minister after having submitted the same to the officer concerned, whose comments should accompany the report to the Minister.

STAFFING : EMPLOYMENT OF CITRUS EXPERT.

The present Director of Agriculture is on loan by the New Zealand Government, and is due to return to New Zealand when his services are required by the New Zealand Department of Agriculture. It is suggested that a citrus expert should be appointed to the staff under the direction of the Director of Agriculture, and that for preference a suitable officer should be selected and sent abroad for experience in citrus culture to a country with similar conditions to those pertaining in Rarotonga. It should be a condition of this officer's appointment that he should remain in the Islands, subject to the pleasure of the Government, for at least ten years.

He should immediately undertake the training of an understudy.

LONG-TERM PLANTING PLAN.

The Delegation is deeply impressed with the need for the inauguration at the earliest possible date of a long-term citrus-planting plan, to be developed concurrently with the growing of crops on existing trees, in order to avoid a disturbance of growers' incomes.

As has already been pointed out, there are but few modern plantations at Rarotonga, and fruit-growing methods of the past can no longer compete commercially with the modern methods of planting, cultivation, harvesting, grading, and packing that are practised in other citrus-producing countries.

The members of the Delegation do not consider themselves sufficiently versed in the technique of citrus culture and production to formulate a comprehensive replanting-scheme, but strongly recommend the Government to obtain competent advice with a view to bringing down proposals for placing the Rarotongan fruitgrowing industry on a proper basis.

Putting into operation any replanting-scheme presents difficulties on account of the peculiar system of land tenure.

A considerable portion of the land of Rarotonga is vested in the respective titles of Ariki, Mataiapo, and Rangatira.

There are six Arikis, a large number of Mataiapos (heads of family), and many Rangatiras (relatives of the Ariki).

These titles are not necessarily hereditary, but are given by the people themselves to those whom they appoint. The land is attached to and goes with the title.

The Ariki families are the principal occupiers of the Ariki lands. The same applies to the lesser titles, the people of each occupying the land more or less as tenants at will, paying "atinga" (tribute) to their chief usually in produce for feasts on special occasions.

Family lands may, however, be under Land Court title, each partitioned block being vested in the name of the family, an ownership of sometimes up to twenty or more persons.

The Land Court work of the Island is much in arrears, which further complicates the present position.

It is important that the Land Court staff should be strengthened and the work brought up to date. The Survey staff should also be strengthened for this purpose.

Meantime it is recommended that the Government should—

- (1) Undertake the planting of, say, three 5-acre blocks as demonstration plantations for the purpose of instructing Natives in the establishment of modern commercial plantations :
- (2) Encourage the replanting by individual Natives of young trees only on areas defined by the Director of Agriculture and the Registrar of the Land Court, to ensure not only that the areas are suitable for orange culture but that security of tenure can be assured the owner, in order that he may have sufficient inducement to care for his trees and harvest the crop as the rightful owner :
- (3) Import early and late varieties of orange-trees and propagate selected varieties of native orange-trees, which should be advanced to growers on terms and conditions to be decided by the Director of Agriculture :
- (4) Provide a systematic supervision for the compulsory application of manures, with a proper system of rotation of crops where necessary.

NOTE.—The Cook Islands Administration imposes a levy of 3d. per case which provides manures to enable growers to improve their plantations. The system, however, which at present prevails, whereby fruit is bought in the plantations by agents of the traders, enables those agents, being the shippers, to receive the issues of manures, which are in this way diverted from the purpose intended—viz., their application to the plantations from which the fruit which bore the levy was taken.

CENTRAL PACKING-SHED AND COOL STORE.

A central packing-shed and cool store should be established at Avarua (Rarotonga) to replace the existing seven district Native packing-sheds situated at various points around the Island.

Packing-shed.—To be equipped with all modern appliances for handling fruit, including the most modern equipment for processing oranges. This would have many advantages :—

- (1) It would enable the present out-of-date grading-machines (ten in number) to be replaced by modern equipment :
- (2) The present numerous packing-shed inspectors, committees, and packers and staffs would be replaced with a small permanent staff of inspectors, under the control of the Director of Agriculture :
- (3) It would eliminate the present crowding in district packing-sheds, where at present those interested in the fruit are admitted, preventing that orderliness so necessary for the proper conducting of the business :
- (4) It would give greater control to enable inspectors to reject the large volume of unsuitable fruit which at present gains admittance to the sheds and causes much unnecessary expense in its elimination :
- (5) Proper processing would greatly increase the appearance and keeping-quality of the fruit :
- (6) Provision would be made for the automatic drying-out of the fruit before stowage, thus improving its keeping and carrying qualities.

Cool Store.—Under present conditions it is necessary to harvest, pick, transport, and ship many thousands of cases of fruit within a few days of the departure of the steamer. The rush methods necessary are distinctly adverse to the trade, viz. :—

- (1) A proportion of the earlier picked fruit must necessarily lie for a considerable period between picking and shipping, a serious cause of deterioration in the tropical climate :
- (2) The hurried methods militate against careful handling at every stage from plantation to steamer.

The provision of a cool store would permit—

- (1) The fruit being harvested continuously as it matured :
- (2) The saving of much of the crop that at present becomes over-ripe between the calls of steamers :
- (3) Organizing a systematic delivery and collection of field fruit-cases, and the delivery per motor-truck at the central packing-shed of fruit for grading, packing, and placing in cool storage to await shipment :
- (4) The pre-cooling of shipments, which practice is recognized as of prime importance in the safe carriage of orange shipments.

A further important bearing would be the effect on the Native-debt question. With continuous harvesting (and organized marketing) the immediate and day-to-day wants of the Native grower could be supplied by payment for fruit collected and accepted.

MARKETING IN NEW ZEALAND.

Negotiations should be entered into between the Government and the New Zealand merchants to dispose of the fruit at an "agreed-on fair price." The improvement in the quality of fruit exported, together with the improved shipping, should enable merchants to pay a higher price than at present.

Such negotiations should include provisions for marketing in New Zealand at regulated prices, with provision for adequate payment for all useful service rendered, and should result in a substantial reduction in the New Zealand retail price of fruit to the public.

In view of the fact, however, that a Commission is at present inquiring into the system of marketing fruit in New Zealand, the Delegation has conferred with that Commission.

It is proposed, when the present inquiry is concluded, to make a separate and joint report covering proposals for the future methods of disposing of Cook Islands fruit in the New Zealand markets.

DEBT EXTINCTION.

A tribunal should be set up to deal with this question to which either debtor or creditor could apply for an assessment of the actual present value of his debt. Such assessed value should be liquidated by a charge against each case of fruit exported by the grower concerned. Such a deduction should be made after provision for the payment of production costs and a reasonable return for the labour involved.

To prevent a recurrence of the present debt situation the law should be amended making Native debts irrecoverable.

NOTE.—Such an Ordinance operates at Niue. There are no debts on the Island of Mangaia, which demonstrates that debt is not an essential to the fruit industry.

REGULATED SUPPLIES.

In carrying out the present arrangements made by the Government to regulate supplies of citrus fruits to New Zealand in accordance with the market demand special consideration should be given to regulating shipments from the Cook Islands, with particular consideration for South Island demands.

SHIPPING.

It appears that the Union Co.'s new vessel "Matua" will make Auckland its only port of discharge, and the Delegation cannot too strongly urge that Wellington and South Island ports should be included in the itineraries of fruit-carrying vessels in order to serve the needs of those markets.

The provision of adequate suitable shipping services between the Cook Islands and the North and South Islands is of vital importance, and Government is recommended to ensure that this is provided.

SHIPPING-SPACE.

The question of the allocation of shipping-space at Rarotonga and the Outer Islands should be taken up by the Government with the shipping company, to prevent any restriction to trade that may at present exist.

FREIGHTS.

The disparity in shipping-charges on Cook Islands bananas to Southern ports compared with the charges on Samoan and Niue bananas is commended to the Government for investigation.

USE OF FIELD CASES.

The present system of sending out cases to be filled by the growers should be discontinued, and a system instituted whereby field cases of strong construction should be used for delivery of fruit from plantation to packing-shed.

ORGANIZED COLLECTION.

A system whereby the fruit could be collected at points around the Island and delivered to the packing-shed should be organized, on the lines followed by the New Zealand dairy companies in collecting cream. This would eliminate the present system whereby agents of the traders, termed "supercargoes," distribute cases to growers and deliver the fruit to packing-sheds and thence to the wharf. This latter method has proved inadequate and costly.

MARKING OF CASES.

Some greater degree of uniformity in marking is desirable, especially regarding stencil sizes, in order to improve the outward appearance of cases. When quality has been improved, a suitably designed label of attractive appearance would more than return its cost.

FRUIT-CASE TIMBER.

A considerable quantity of the case-timber for the ends that was inspected had not been dressed, making legible marking impossible. Edges of all battens should be bevelled to prevent injury to fruit from sharp cutting edges.

SHIPPING IN BUNCHES.

The Delegation recommends for investigation by experts the question of shipping bananas in bunches. If this proposal is found practicable, Island bananas should arrive in New Zealand retaining the flavour which makes their consumption in the Islands so different from the consumption of the same fruit here.

PART X.—THE LOWER COOK GROUP.

Visits were made to the Outer Islands of Aitutaki, Mauke, Atiu, and Mangaia. The usual means of transport to those Islands from Rarotonga is per schooner, but through the courtesy of the Union Steamship Co., Ltd., the new insulated motor vessel "Matua" was placed at the disposal of the Delegation, and so this part of the trip was made under much more comfortable conditions than were otherwise possible. We herewith record our appreciation of the generous action of the company.

The Delegation found that in most respects the conditions of growing and marketing in the Outer Islands are similar to those of Rarotonga.

Practically the only crop being shipped from these Islands at present is oranges. The problem of the discoloration of the oranges caused by fungoid diseases does not exist to any extent in the Outer Islands, the trees being healthier and the fruit consequently of a brighter colour and cleaner appearance than the oranges exported from Rarotonga. The difficulties confronting the growers of these Islands may be put into four categories:—

- (1) The high percentage of over-sized oranges produced. If some means can be found of increasing the crop of oranges of marketable size, whether by pruning, manuring, or other means, the income of growers could be considerably increased.
- (2) Shipping facilities: Of the four Islands visited three can be approached only by boats or canoes over reefs which under certain conditions of wind and tide are unworkable and at all times are dangerous. The reef at Mauke on the day of our visit was unworkable, and we could not get ashore. Aitutaki can be approached by boats through the reef entrance from ships lying at anchorage to a wharf. The other Islands have no wharves, nor is there any safe anchorage for ships, consequently the loss of cargo and boats is considerable, apart from the constant risk to life and limb. The Delegation does not feel competent to express an opinion on the remedy for this state of affairs, but strongly recommends that an expert investigation of the landings at these Islands be made with a view to effecting an improvement.
- (3) The roads on these Islands are in urgent need of development, and their present unformed condition adds immensely to the difficulties of growers. Much damage to the fruit is caused during its conveyance over these rough roads and tracks.
It is recommended that supplies of food be issued to the Natives working on road-construction in return for work done. The cost would be relatively small and the advantages immense.
- (4) Price: We are of the opinion that if the price to the grower of Rarotonga is improved as a result of the above recommendations, the growers at the Outer Islands will also benefit from same. Any improvement in shipping and handling facilities will also assist in increasing the net return to Outer Islands growers.

Much more could be written on these four Islands, as each has its own peculiarities, but for the improvement of the fruit industry the Delegation is of the opinion that what is here set down should be of considerable assistance in overcoming some of the natural difficulties of the Outer Islands trade.

MITIARO.

Representations from the Island of Mitiaro (twenty miles from Mauke) were made in which it was stated that no fruit-carrying ships call at this Island, which produces oranges for export.

The Delegation strongly recommends that arrangements be made for a vessel to call at Mitiaro at least once during the orange-exporting season.

PART XI.—ORANGE-JUICE.

The manufacture of orange-juice is carried on by two firms in Rarotonga. One is on a much larger and more modern scale than the other. Orange-juice being a by-product of the fruit industry is of the greatest importance, and merits every encouragement. For the production of orange-juice, fruit which for various reasons cannot be exported is used. This class of fruit represents a high percentage of the entire orange crop of Rarotonga, and, contrary to general belief, does not consist of damaged fruit. Regulations under which Island oranges are exported to New Zealand do not permit larger sizes than 126 per case being exported, and this over-sized fruit, which is of the very best quality, and has a larger juice-content, is ideal for the production of juice. A certain amount of sound fruit which because of skin discoloration is not exported is also used for producing juice of high quality. The production of juice is the only useful method of disposing of this fruit.

Australian manufacturers enjoy several advantages which greatly increase the difficulties of the Rarotongan producer. The chief of these are—(a) The difference in the freight rates to New Zealand—*i.e.*, 55s. per ton from Rarotonga and 35s. from Australia (this represents an advantage to Australia of 4d. per gallon); (b) Australian producers obtain supplies of glass containers in Australia, whereas Rarotongan producers have to obtain supplies from the same source and pay freight and shipping charges on empty containers to Rarotonga.

This additional cost is 5½d. per gallon. The Island producers have asked for a tariff to be imposed on Australian juice sufficient to enable the sale of Island juice in New Zealand at a price which will show them a profit of 10 per cent.

The Delegation considers this request reasonable and commends it to Government for favourable action.

PART XII.—ALLEGED POVERTY.

Some witnesses who gave evidence in Wellington stressed the extreme poverty of the Native growers of Rarotonga in particular. "Poverty" is a relative term, and must be considered in relation to the accepted standard of living in the country under consideration. That poverty exists amongst the Natives of Rarotonga there can be no doubt; that it exists to the extent that people are starving is definitely incorrect. After the hurricane of last year there was inevitably a shortage of some staple foods, but in ordinary conditions where bananas, coconuts, and other tropical foods grow practically wild, and where the sea abounds in fish, it is inconceivable that actual starvation can occur.

PART XIII. ADMINISTRATION.

It was not possible to deal adequately with the fruit trade of the Cook Islands, being as it is the basis of the economic life of the community, without coming into intimate contact with the Administration in its various functions. The Delegation is pleased to report, after careful observation, that the personnel of the Administration is of a high standard. Complaints were made at various times and places, but investigation showed that whatever legitimate grievances exist the fault lay rather with the machinery of administration than in its personnel.

We found an impression existing amongst a section of Native growers that the Administration was indifferent or hostile to the interests of the Native growers, and one witness stated before the Committee in Wellington that Judge Ayson, Resident Commissioner, was friendly to the interests of the traders and hostile to growers.

A perusal of the files in the Department at Rarotonga and the evidence did not bear this out, but showed conclusively that the Resident Commissioner has at all times regarded the Native growers' interests as paramount. It is gratifying to record that the witness Mr. McBirney, who made the statement in New Zealand, has since hearing the evidence given in Rarotonga, withdrawn his statement and asked that it be expunged from the evidence.

The Resident Agents in the four Outer Islands visited maintain a high standard of administrative efficiency considering their isolation from European influence and other difficulties.

New Zealand has much cause for satisfaction at the high calibre of the officials of the Administration and their constant determination to make the interests of the Natives their first consideration.

PART XIV.—REGULAR VISITS OF REPRESENTATIVES OF NEW ZEALAND PARLIAMENT.

The Delegation is strongly of opinion that a closer liaison should be maintained between these outlying parts of our Dominion and Parliament. The last parliamentary visit to the Cook Group was in 1920—sixteen years ago. The Delegation found in the Group a body of opinion in favour of some form of representation for the Group in Parliament. While it is true that this represents only an articulate minority, it would, in our opinion, be unwise to entirely disregard it. In the meantime, whatever constitutional changes we think the future may hold, we feel that some method whereby regular visits of representatives of the New Zealand Parliament could be carried out would be of great advantage. The means to bring this about we commend to the consideration of the Government.

PART XV.—ACKNOWLEDGEMENTS.

The Delegation is indebted to Mr. S. J. Smith, Secretary for the Cook Islands, who accompanied the members to Rarotonga, and whose knowledge of the problems and ever-ready assistance were invaluable; to Judge H. F. Ayson, Resident Commissioner, for the arrangements made to facilitate the work at Rarotonga and for many courtesies extended; to all sections of the community, both European and Maori, for the spirit of helpful co-operation, in all matters, which greatly assisted the Delegation to arrive at its conclusions; and to the Union Steamship Co., Ltd., for placing the T.S.M.V. "Matua" at its disposal for the purpose of visiting the Lower Cook Islands.

PART XVI.—SUMMARY OF RECOMMENDATIONS.

PAGE

7. Fruit trade to be under direction of Director of Agriculture or General Manager
7. Appointment of citrus expert as understudy to Director of Agriculture.
7. Appointment of understudy to citrus expert.
7. Inauguration of long-term planting plan.
7. Obtaining advice with view to placing fruitgrowing industry on proper basis.
8. Strengthening of Land Court and Survey staff.
8. Establishment of demonstration citrus areas.
8. Encouragement of Native growers to replant defined areas.
8. Importation, propagation, and distribution of citrus plants to growers.
8. Provision of systematic supervision for compulsory manuring and rotation of crops.
8. Establishment of central packing-shed and cool store at Avarua.
9. Organizing marketing methods in New Zealand (joint report to follow).
9. Establishment of tribunal for assessing existing Native debts and alteration of law in regard thereto.
9. Regulation of fruit shipments from the Cook Islands, with special consideration for Southern markets.
9. Provision of adequate suitable shipping service between Cook Islands and North and South Islands.
9. Itineraries of fruit-carrying vessels to include Southern ports.
9. Allocation of shipping-space to be investigated.
9. Investigation of freight charges.
9. Inauguration of system of field cases for harvesting fruit (Rarotonga).
9. Organizing a system of collection and delivery of fruit (Rarotonga).
9. Marking of cases: Greater degree of uniformity.
10. Fruit-case timbers to be improved.
10. Investigation into question of shipping bananas in bunches.
10. Investigation for purpose of improving landing facilities at Outer Islands.
10. Improvement of roads at Outer Islands.
10. Provision of shipping for Mitiaro Island.
10. Orange-juice: Protection.
11. Closer liaison between Islands and Parliament, and regular visits by members.

We have, &c.,

J. ROBERTSON, Chairman.

C. L. HUNTER, Member.

S. G. HOLLAND, Member.

Approximate Cost of Paper.—Preparation, not given; printing (804 copies), £14.

By Authority: G. H. LONEY, Government Printer, Wellington.—1936.

Price 6d.]